



## **Towers Perrin Management Benefits Comparison 2002 Energy Services Benefits Study**

### **Study Methodology and Background**

- Fifty-nine energy services companies, including KeySpan, participated in a comprehensive analysis of benefit plan design conducted by Towers Perrin.
- Towers Perrin utilized their BENVAL® actuarial tool to compare the value of each benefit plan provided by each company participating in the study.
- The analysis included a comprehensive review of all active employee and retiree benefit plans.
- Companies were grouped by revenue category for comparison purposes and KeySpan was compared to the comparable revenue group.
- The participant identity of each company is confidential.

### **Summary of Study Findings**

The percentages below represent the estimated value of Boston Gas Management benefit plans on a company-provided basis compared to the companies in the study. A value of 100% means that a benefit is at the average level of the study group.

<b><u>Benefit Type</u></b>	<b><u>Boston Gas</u></b>	<b><u>Survey Group Range</u></b>
Active Medical	99.2%	82.4% to 117.4%
Retiree Medical	28.9%	0 to 195.7%
Dental	87.4%	0 to 205.4%
Vacation	98.7%	93.6% to 113.5%
Holidays	104.6%	87.2% to 113.4%
Short Term Disability	97.0%	74.4% to 108.3%
Long Term Disability	5.2%	2.8% to 172.5%
Death Active	104.1%	37.1% to 188.3%
Death Retirement	50.6%	0 to 231.5%
401K Plan/Stock Purchase	76.4%	55.5% to 176.5%
Pension Plan (Cash Balance Plan)	95.3%	68.0% to 135.8%

<b>Total Benefit Program</b>	<b>88.8%</b>	<b>84.8% to 118.5%</b>
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The study provided an in-depth analysis of the pension plans for each company. Towers Perrin calculated the combined value of the Defined Benefit and 401K plans for retirement at age 55, 60, 62 and age 65. In all cases, KeySpan's retirement benefits were lower in relative value as compared to the survey group.